



Agenda Date: 4/15/15
Agenda Item: III E

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 8625-0350
www.nj.gov/bpu/

CABLE TELEVISION

IN THE MATTER OF CSC TKR, LLC D/B/A CABLEVISION)
OF MORRIS FOR APPROVAL OF THE FILING OF FCC) ORDER ADOPTING
FORM 1240, AN ANNUAL UPDATING OF THE MAXIMUM) STIPULATION OF FINAL RATES
PERMITTED RATE FOR THE REGULATED BASIC CABLE)
SERVICE USING THE OPTIONAL EXPEDITED RATE)
PROCEDURES) DOCKET NO. CR14101258

Parties of Record:

Gregory Buscarino, Vice President, Business Planning & Regulatory Product Management, Cablevision Systems Corporation
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

On October 31, 2014, CSC TKR, LLC d/b/a Cablevision of Morris ("Petitioner") filed Federal Communications Commission ("FCC") Form 1240, which was subsequently assigned Docket Number CR14101258, seeking approval by the Board of Public Utilities ("Board") for an annual rate adjustment in its maximum permitted rate resulting from an adjustment for inflation, channel changes, programming costs and copyright fees pursuant to the Cable Television Consumer Protection and Competition Act of 1992, 47 U.S.C. § 543 et seq., and provisions of the New Jersey Cable Television Act, N.J.S.A. 48:5A-1 et seq.

On January 12, 1996, the Board approved the implementation of optional expedited rate procedures for the processing of certain filings made with the Office of Cable Television. In the Matter of an Optional Expedited Rate Procedure for Cable Companies and the Application of the Optional Expedited Procedure to the Cable Companies that File FCC Forms 1205 and/or 1210 and All Future Forms Developed and Approved by the Federal Communications Commission, BPU Docket No. CX95120636, Order dated January 12, 1996. The intended purpose of these procedures was to grant final rates as quickly as possible to any cable company that chooses this process. In the spirit of cooperation based upon the principles of

¹ Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

Alternate Dispute Resolution, the discovery content is limited, thereby reducing the timeframe for settlement.

Petitioner chose to pursue its filing with the Board through the approved procedures. A pre-transmittal conference was held on December 15, 2014 and attended by representatives of the Petitioner, the New Jersey Division of Rate Counsel ("Rate Counsel") and Board Staff (collectively, "the Parties"). Petitioner agreed to waive its Office of Administrative Law ("OAL") litigation rights in this matter. Petitioner's waiver was knowing, voluntary, and intelligent did not constitute a circumvention of the FCC rules, nor did it affect Petitioner's right to appeal in that forum.

Petitioner notified its customers of the proposed rate adjustment by way of newspaper publication in the Daily Record on January 13, 2015 and explained the opportunity to submit written comments to the Board for a period of thirty days. The notice appeared No comments or resolutions were received as a result of the public notice.

A settlement conference was held on December 22, 2014. On March 2, 2015, the Parties entered into a Stipulation of Final Rates.

The Board reviewed the Stipulation of Final Rates and **HEREBY FINDS** it to be reasonable, in the public interest and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Stipulation of Final Rates (attached hereto) as its own, incorporating by reference the terms and conditions therein as if fully set forth at length herein.

The Board **FURTHER ORDERS** that subject to the ongoing review before the FCC, should any of these cable systems, or any part thereof, merge or migrate to another system, be upgraded or rebuilt, or the ownership or control be otherwise sold or transferred to another entity, then the basic service tier rate that will be eliminated or superseded as a result of the merger, migration, upgrade, rebuild, sale or transfer must be "trued up" [47 C.F.R. § 76.922 (e) (3)]. The final true up for the affected systems, or any parts thereof, should be calculated on FCC Form 1240, and begin where the last true up period ended on its prior FCC Form 1240. This true up calculation should be filed with the Board when all the affected subscribers are being charged the rate resulting from the merger, migration, upgrade, rebuild, sale or transfer, and may be filed in conjunction with the annual rate adjustment cycle (Form 1240) established as a result of said merger, migration, upgrade, rebuild, sale or transfer.

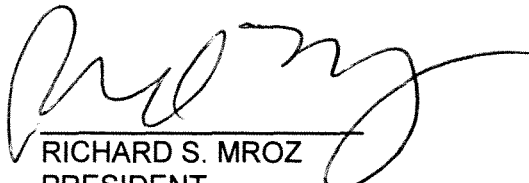
The cable systems, or any part thereof, may be subsequently deregulated as a result of a finding by the Board, the FCC, or other party of competent jurisdiction that these systems or any portion thereof, are subject to effective competition. Should that occur, the last basic service rate established as a result of a prior FCC Form 1240, or such subsequent rate calculation method as may be heretofore adopted by the Board, the FCC or any other party of competent jurisdiction, prior to the deregulation of any rate that is now or may in the future be subject to the Board's jurisdiction, must be trued up for the period of time that the affected rates were subject to regulation by the Board.

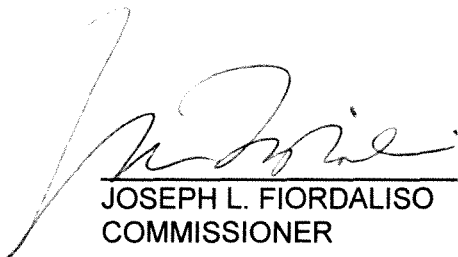
The above referenced true up procedure does not exclude any cable system party to this Order.

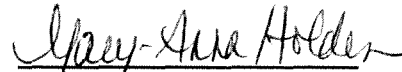
This Order shall be effective on April 25, 2015.

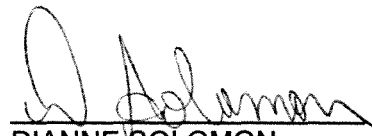
DATED: 4/13/15

BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

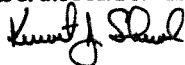

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER

ATTEST:


KENNETH J. SHEEHAN
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities



IN THE MATTER OF CSC TKR, LLC D/B/A CABLEVISION OF MORRIS FOR APPROVAL OF
THE FILING OF FCC FORM 1240, AN ANNUAL UPDATING OF THE MAXIMUM PERMITTED
RATE FOR THE REGULATED BASIC CABLE SERVICE USING THE OPTIONAL EXPEDITED
RATE PROCEDURES - DOCKET NO. CR14101258

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| IN THE MATTER OF CSC TKR, LLC |) | <u>CABLE TELEVISION</u> |
| D/B/A CABLEVISION OF MORRIS' |) | |
| FILING OF FCC FORM 1240 UPDATING |) | |
| THE MAXIMUM PERMITTED RATE |) | STATE OF NEW JERSEY |
| FOR REGULATED CABLE SERVICE |) | BOARD OF PUBLIC UTILITIES |
| USING THE OPTIONAL EXPEDITED |) | |
| RATE PROCEDURES |) | BPU DOCKET NUMBER CR14101258 |

STIPULATION OF FINAL RATES

The undersigned parties, as a result of a review of the Federal Communications Commission ("FCC") Form 1240 and timely filed public comments in this matter hereby stipulate to the following findings of fact and conclusions of law for consideration by the Board of Public Utilities ("Board"); and,

As part of the Optional Expedited Rate Procedures (Approved January 12, 1996, Docket No. CX95120636), CSC TKR, LLC d/b/a Cablevision of Morris ("Petitioner") agreed to waive the Petitioner's litigation rights at the Office of Administrative Law ("OAL") in this proceeding. It should be noted that Petitioner's waiver was a knowing, voluntary and intelligent waiver of its litigation rights at the OAL and that the waiver did not constitute a circumvention of the FCC rules nor did it affect the Petitioner's right to appeal in that forum.

WHEREAS, the Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 106 Stat. 1460 (1992), codified at 47 U.S.C. § 543 et seq., (the "Federal Act"), classified the delivery of cable television services into two separate rate regulated categories: (i) "basic service" (consisting primarily of "off-the-air" and public educational and governmental channels) and associated equipment and installation and (ii) cable programming services ("CPS") (consisting of other regulated tiers of channels) and associated equipment; and

WHEREAS, under the Federal Act, basic service is regulated by the "franchising authority"; and

WHEREAS, under the provisions of the New Jersey Cable Television Act ("New Jersey Act"), N.J.S.A. 48:5A-1 et seq., the franchising authority is the Board; and

WHEREAS, the Federal Act required the FCC to issue regulations governing the standards to be used by franchising authorities in regulating basic service rates; and

WHEREAS, under the regulations adopted March 30, 1994, 47 C.F.R. § 76.900 et seq., a cable operator may adjust its rates by electing the annual rate adjustment system under the regulations adopted September 15, 1995 (47 C.F.R. § 76.922) by filing a Form 1240 and a Form 1205 on the same date; and

WHEREAS, on October 31, 2014, Petitioner, serving Hopatcong, Netcong, Mount Arlington and Boonton Township, filed a Form 1240, Docket Number CR14101258 with the Board seeking approval of inflation, channel change and external cost adjustments for a total increase in the Maximum Permitted Rate ("MPR") of 3.1 % for the rate cycle of February 1, 2015 to January 31,

2016 for a rate increase from \$10.87 to \$11.21, exclusive of franchise fees, which would result in a total increase in the MPR for basic service of \$.34 per month. The Operator Selected Rate ("OSR") will be \$11.21 effective February 1, 2015 for the same rate cycle of February 1, 2015 to January 31, 2016; and

WHEREAS, the Board Staff ("Staff") and the Division of Rate Counsel ("Rate Counsel"), upon review of the FCC Form 1240, supporting documentation and schedules thereto agree that the proposed MPR and OSR rates are just and reasonable; and

WHEREAS, Staff, Rate Counsel and Petitioner have engaged in discussions of this matter; and

WHEREAS, Staff, Rate Counsel and Petitioner have concluded that the Petitioner is entitled to the above-referenced adjustment which it seeks in its FCC Form 1240 filing;

NOW, THEREFORE, Staff, Rate Counsel, and Petitioner hereby STIPULATE AS FOLLOWS:

1. Petitioner notified its customers of the proposed MPR rate increase via a newspaper announcement and has informed them of their opportunity to submit written comments for a period of thirty (30) days.
2. The effective date for the increase in the MPR for basic service due to inflation, channel changes and external costs under Docket Number CR14101258 and the OSR is February 1, 2015.
3. The rate cycle established under Docket Number CR14101258 is February 1, 2015 to January 31, 2016. However, during this period, if Petitioner chooses to decrease the OSR, with proper notice to its subscribers and the Board, this decrease will not affect the established rate cycle.
4. This stipulated rate increase shall be subject to the approval of the Board and all revenues collected as a result of this adjustment shall be subject to refund, pursuant to the rules and regulations of the FCC as well as those of the Board if the Board finds this rate increase to be unjustified in whole or in part or in any way implemented improperly.
5. This Stipulation of Final Rates resolves all issues raised by this filing which are the subject of the within matter.
6. The signatories agree that, except as expressly provided herein, this Stipulation has been made exclusively for the purpose of this proceeding and that the Stipulation contained herein, in total or by specific items, is in no way binding upon the parties in other proceedings before the Board or in other forums or jurisdictions, nor are the contents of this Stipulation, in total or by specific items, by inference, inclusion, or deletion, in any way to be considered or used by another party as any indication of the position of any party hereto on any issue litigated or to be litigated in other

proceedings.

This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the parties expressly and jointly state that they would not have signed the agreement had any term been modified in any way. Each party is entitled to certain procedures in the event that any modification is made to the terms of this Stipulation. That is, each signatory party must be given the right to be placed in the position it was in before the Stipulation was entered. Therefore, if any modification is made to the terms of this Stipulation, it is essential that each party be given the option, before the implementation of any new rate resulting from this action, either to modify its own position to accept the proposed changes, or to resume the proceeding as if no agreement had been reached.

The parties believe these provisions are fair to all concerned and therefore, they are made an integral and essential element of this Stipulation. This being the case, all parties expressly agree to support the right of any other party to this Stipulation to enforce all terms and procedures detailed herein.

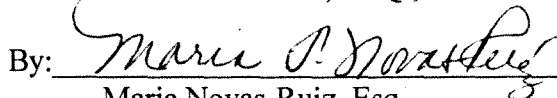
**GLORIA J. FURLONG
OFFICE OF CABLE TELEVISION**

DATED: 3/2/15

By: 
Supervising Administrative Analyst


**DIVISION OF RATE COUNSEL
STEFANIE A. BRAND, ESQ., DIRECTOR**

DATED: 3/2/2015

By: 
Maria Novas-Ruiz, Esq.
Assistant Deputy Rate Counsel

**CSC TKR, LLC D/B/A CABLEVISION OF
MORRIS**

DATED: 2/24/15

By: 
Gregory Buscarino
Vice President of Business Planning